99th Congress, 2d Session - - - - - - - - - - - House Document 99-267

APPROPRIATIONS REQUEST FOR THE DRUG FREE AMERICA INITIATIVE

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

AMENDMENTS TO THE REQUEST FOR APPROPRIATIONS FOR FISCAL YEAR 1987 THAT WOULD PROVIDE A TOTAL OF $694,392,000 TO IMPLEMENT THE DRUG FREE AMERICA INITIATIVE, PURSUANT TO 31 U.S.C. 1107

SEPTEMBER 19, 1986.—Referred to the Committee on Appropriations and ordered to be printed

---

U.S. GOVERNMENT PRINTING OFFICE

71-011 O WASHINGTON : 1986

H180-61

THE WHITE HOUSE,
Washington, September 19, 1986.

The Speaker of the House of Representatives.

SIR: I ask the Congress to consider amendments to the request for appropriations for fiscal year 1987 that would provide a total of $694,392,000 to implement the Drug-Free America Initiative. The outlay increases associated with these proposals are offset by proposed reductions in lower priority programs.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

RONALD REAGAN.

Enclosures.

Estimate No. 18
99th Congress, 2nd Session

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

September 19, 1986

The President

The White House

Sir:

I have the honor to submit for your consideration amendments to the request for appropriations for fiscal year 1987 that would provide $694,392,000 to implement your recently announced Drug-Free America Initiative. The outlay increases associated with these proposals are offset by reductions in lower priority programs.

I have carefully reviewed the proposals contained in this document and am satisfied that these requests are necessary at this time. I recommend, therefore, that these proposals be transmitted to the Congress.

Respectfully,

James C. Miller III
Director

Enclosures

DEPARTMENT OF EDUCATION

1987 Budget Appendix Page	Heading	1987 Budget Request Pending	1987 Proposed Amendment	1987 Revised Request
	OFFICE OF ELEMENTARY AND SECONDARY EDUCATION			
I-I4	Special programs	$603,909,000	$97,000,000	$700,909,000
	(In the appropriation language under the above heading delete "$528,909,000" and insert in lieu thereof $525,909,000, delete "$28,909,000" and insert in lieu thereof $25,909,000, and insert the following language immediately after "The Compact of Free Association has not been enacted.":)			
	For carrying out the provisions of the Drug-Free Schools Act of 1986, $100,000,000: Provided, That of this amount $80,000,000 to carry out the State grant program of said Act shall become available for obligation on July I, 1987, and shall remain available until September 30, 1988.			

This proposal would be offset by a reduction in the request for Student financial assistance proposed for later transmittal in the fiscal year 1987 Budget.

DEPARTMENT OF DEFENSE-MILITARY

MILITARY CONSTRUCTION

1987 Budget Appendix Page	Heading	1987 Budget Request Pending	1987 Proposed Amendment	1987 Revised Request
I-G51	Military construction, Air Force	$1,773,200,000	-$15,000,000	$1,758,200,000
I-G57	Military construction Air Force Reserve	58,900,000	15,000,000	73,900,000

This proposal includes an additional $309.9 million for the Drug-Free America Initiative from other Department of Defense appropriations for which no budget amendments are necessary.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

1987 Budget Appendix Page	Heading	1987 Budget Request Pending	1987 Proposed Amendment	1987 Revised Request
	HEALTH RESOURCES AND SERVICES ADMINISTRATION			
I-K3	Health resources and services.....	$1,162,670,000	-75,042,000	1,087,628,000
	CENTERS FOR DISEASE CONTROL			
I-K11	Disease control, research, and training.....	375,978,000	-1,953,000	374,025,000
	NATIONAL INSTITUTES OF HEALTH			
I-K12	National Cancer Institute.	1,142,970,000	-15,223,000	1,127,747,000
I-K13	National Heart, Lung, and Blood Institute.....	771,736,000	-16,898,000	754,838,000
I-K14	National Institute of Dental Research.....	94,927,000	-2,160,000	92,767,000
I-K15	National Institute of Diabetes and Digestive and Kidney Diseases.....	410,598,000	-6,646,000	403,952,000
I-K16	National Institute of Neurological and Communicative Disorders and Stroke.....	390,311,000	-8,695,000	381,616,000
I-K17	National Institute of Allergy and Infectious Diseases.....	323,915,000	-2,827,000	321,088,000
I-K18	National Institute of General Medical Sciences.....	459,597,000	-3,308,000	456,289,000
I-K19	National Institute of Child Health and Human Development.....	303,300,000	-6,244,000	297,056,000
I-K20	National Eye Institute...	175,155,000	-2,338,000	172,817,000
I-K21	National Institute of Environmental Health Sciences.....	186,540,000	-2,968,000	183,572,000

DEPARTMENT OF HEALTH AND HUMAN SERVICES
(continued)

1987 Budget Appendix Page	Heading	1987 Budget Request Pending	1987 Proposed Amendment	1987 Revised Request
I-K21	National Institute on Aging.....	143,035,000	-2,532,000	140,503,000
I-K22	National Institute of Arthritis and Musculoskeletal and Skin Diseases.....	104,385,000	-2,254,000	102,131,000
I-K23	Research resources.....	234,192,000	-16,054,000	218,138,000
I-K24	John E. Fogarty International Center....	11,305,000	-200,000	11,105,000
	ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION			
I-K28	Alcohol, drug abuse and mental health.....	887,172,000	225,342,000	1,112,514,000
	SOCIAL SECURITY ADMINISTRATION			
I-K46	Low income home energy assistance.....	1,872,100,000	-60,000,000	1,812,100,000

DEPARTMENT OF JUSTICE

1987 Budget Appendix Page	Heading	1987 Request Pending	1987 Proposed Amendment	1987 Revised Request
	LEGAL ACTIVITIES			
I-03	Salaries and expenses, General Legal Activities	$584,099,000	$6,000,000	$590,099,000
	DRUG ENFORCEMENT ADMINISTRATION			
I-017	Salaries and expenses	411,329,000	26,000,000	437,329,000
	(In the appropriation language under the above heading, delete "five hundred seventy-five" and insert in lieu thereof six hundred fifteen, and insert the following immediately after "research", $15,000,000 for the All-Source Intelligence Center and $7,000,000 for voice privacy radio equipment.)			

DEPARTMENT OF THE TREASURY

1987 Budget Appendix Page	Heading	1987 Budget Request Pending	1987 Proposed Amendment	1987 Revised Request
	FEDERAL LAW ENFORCEMENT TRAINING CENTER			
I-S6	Salaries and expenses	$20,899,000	$150,000	$21,049,000
	UNITED STATES CUSTOMS SERVICE			
I-S22	Operation and maintenance, Air Interdiction Program	54,700,000	10,000,000	64,700,000

ACTION

1987 Budget Appendix Page	Heading	1987 Request Pending	1987 Proposed Amendment	1987 Revised Request
I-Z1	Operating expenses	$149,865,000	$5,000,000	$154,865,000

99th Congress, 2d Session - - - - - - - - - - - House Document 99-268

REVIEW OF DEFERRALS

COMMUNICATION

FROM

THE COMPTROLLER GENERAL OF THE UNITED STATES

TRANSMITTING

A REVIEW OF FOUR DEFERRALS OF BUDGET AUTHORITY TRANSMITTED BY THE PRESIDENT ON JUNE 24, 1986 IN HIS SEVENTH SPECIAL MESSAGE FOR FISCAL YEAR 1986, PURSUANT TO 2 U.S.C. 685

SEPTEMBER 22, 1986.—Referred to the Committee on Appropriations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
71-012 O WASHINGTON : 1986

H180-62

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, DC, September 19, 1986.

B-220532
Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: On June 24, 1986, the President's seventh special message for fiscal year 1986 was submitted to the Congress pursuant to the Impoundment Control Act of 1974. The President reported the following four deferrals, affecting budget authority made available to the Departments of Energy (DOE) and Health and Human Services (HHS):

D86-67	DOE, Fossil Energy Research and Development	$499,812
D86-68	DOE, Energy Conservation	287,488
D86-69	DOE, Strategic Petroleum Reserve	636,973
D86-70	HHS, Health Care Financing Administration, program management	45,000,000

Although these deferrals were reported on June 24, the withholding of the DOE funds was initially approved by the Office of Management and Budget (OMB) in April, according to apportionment schedules dated April 3, 1986. OMB officials told us that the delay in reporting was due to the Administration's decision to re-examine each deferral in light of the decision in *New Haven* v. *United States,* No. 86-0455 (D.D.C. May 16, 1986).[1]

We have reviewed these four deferrals. We found that D86-70, classified by the President as a deferred, is a rescission. The enclosure provides all information we identified which we believe will be useful to the Congress in its examination of these impoundments.

Sincerely yours,

MILTON J. SOCOLAR
(For the Comptroller General of the United States).

Enclosure.

COMMENTS ON THE SEVENTH SPECIAL MESSAGE

DEPARTMENT OF ENERGY

D86-67 Energy Programs
Fossil energy research and development
Amount deferred: $499,812
89X0213

[1] The United States District Court for the District of Columbia held unconstitutional the President's authority under the Impoundment Control Act to defer budget authority. The court's decision was stayed pending appeal; the Department of Justice is appealing.

The message indicates that this account is the subject of a previous deferral this fiscal year, D86-6. (D86-6 was revised by D86-6A which increased the amount of the deferral.) The Urgent Supplemental Appropriations Act for fiscal year 1986, Pub. L. No. 99-349, July 2, 1986 (Urgent Supplemental), disapproved all but $2,607,000 of D86-6 and 6A. On July 22, 1986, OMB made available for obligation the amount disapproved. Consequently, the total amount deferred in this account is $3,106,812, the $499,812 reported as D86-67 and the $2,607,000 remaining from D86-6, 6A.

D86-68 Energy Programs
Energy conservation
Amount deferred: $287,488
89X0215

The message indicates that this account is the subject of a previous deferral this fiscal year, D86-9A. The Urgent Supplemental disapproved all but $6,556,000 of D86-9A. On July 22, 1986, OMB made available for obligation the amount disapproved. Consequently, the total deferred in this account is $6,843,488, the $287,488 reported as D86-68 and the $6,556,000 remaining from D86-9A.

D86-69 Energy Programs
Strategic petroleum reserve
Amount deferred: $636,973
89X0218

This account was the subject of an earlier deferral this fiscal year, D86-37. The Urgent Supplemental disapproved that deferral, and OMB made those funds available for obligation on July 22. The only budget authority now deferred is the $636,973 reported as D86-69.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

D86-70 Health Care Financing Administration
Program Management
Amount deferred: $45,000,000
7560511

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) transferred, for fiscal year 1986 only, $105 million to this account from the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds to be used for Medicare contractor payment reviews. With $45 million already obligated for this purpose by HHS from its appropriation, enacted in December 1985, a total of $150 million was available in fiscal year 1986 for these activities.

The message reports a deferral, for the remainder of fiscal year 1986, of $45 million of the $105 million provided by COBRA. The message explains that the Health Care Financing Administration (HCFA) cannot effectively utilize the $45 million this year. According to an OMB official, the $45 million will revert to the trust funds at the end of the fiscal year, and will be available next fiscal year for obligation for the general purposes of the trust funds.

Section 1015(b) of the Impoundment Control Act, 2 U.S.C. § 686(b), authorizes the Comptroller General to reclassify as rescissions those deferrals which he believes the President has incorrectly classified. Section 1012(a) of the Act, 2 U.S.C. § 683(a), directs the President to propose a rescission whenever he determines that "all or part of any budget authority will not be required to carry out the full objectives or scope of programs for which it is provided," or "whenever all or part of any budget authority provided for only one fiscal year is to be reserved from obligation for such fiscal year." The President, in the message, acknowledges that the $45 million is not needed this fiscal year. Furthermore, because the $45 million was transferred to HCFA for fiscal year 1986 only, failure to obligate the funds by the end of the fiscal year will result in their becoming unavailable for the purpose for which they wee transferred. Accordingly, we are reclassifying as a rescission proposal the $45 million reported by the President in this message as deferred.

This report has the effect, by operation of law, of permitting the withholding to continue for 45 legislative days. The fiscal year, however, will end before the 45-day withholding period expires and it is questionable whether an additional $45 million, even if made available, could be obligated before the end of the fiscal year. The Congress, if it concludes that the funds in question should be made available for the program, may therefore wish to consider enacting legislation to extend the availability of the funds.

○

99th Congress, 2d Session - - - - - - - - - - - House Document 99-269

STATUS OF BUDGET AUTHORITY

COMMUNICATION

FROM

THE COMPTROLLER GENERAL OF THE UNITED STATES

TRANSMITTING

REPORTS ON THE STATUS OF BUDGET AUTHORITY THE DEFERRAL OF WHICH THE CONGRESS DISAPPROVED IN THE URGENT SUPPLEMENTAL APPROPRIATIONS ACT FOR FISCAL YEAR 1986 (PUBLIC LAW 99-349)

SEPTEMBER 23, 1986.—Referred to the Committee on Appropriations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

71-012 O WASHINGTON : 1986

H180-63

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, DC, September 22, 1986.

B-220532.

To the President of the Senate and the Speaker of the House of Representatives.

This letter reports on the status of budget authority the deferral of which the Congress disapproved in the Urgent Supplemental Appropriations Act for fiscal year 1986, Pub. L. No. 99-349 (Urgent Supplemental). The enclosed list sets forth the activities for which the deferred funds were provided. With respect to one deferral, "Rehabilitation Loan Fund" (D86-50), some doubt exists, because of the operation of the Balanced Budget and Emergency Deficit Control Act, Pub. L. No. 99-177 (Balanced Budget Act), how much of the deferred budget authority the Urgent Supplemental requires the Office of Management and Budget (OMB) to release. All budget authority withheld pursuant to the other deferrals listed in the enclosure, which the Congress directed be made available for obligation, has been released by OMB for obligation.

Of the $131,132,949 of deferred budget authority in the "Rehabilitation Loan Fund," [1] OMB continues to withhold $48,809,349, as an "unapportioned balance of revolving fund." OMB explains that obligation of this "unapportioned balance" of budget authority would violate the limitation imposed on loan obligations by the Balanced Budget Act through the sequestration order.

As part of the process of controlling the size of the federal deficit, the Balanced Budget Act requires the Directors of OMB and the Congressional Budget Office to estimate, by account, the budget base levels of total revenues and total outlays for each fiscal year. Pub. L. No. 99-177, § 251(a)(2). The sequestration percentage is applied to the budget base, and outlays are reduced accordingly.

For the most part, the budget base for a particular account equals the amount appropriated to that account. *Id.*, § 251(a)(6). For revolving funds, such as the Rehabilitation Loan Fund, however, there may be only an indefinite appropriation. The Department of Housing and Urban Development's fiscal year 1986 appropriations act provides that

> [d]uring 1986, collections, unexpended balances of prior appropriations (including any recoveries of prior reservations) and any other amounts in the [Rehabilitation Loan Fund] are available and may be used for commitments for loans and operating costs. * * *

Pub. L. No. 99-160, 99 Stat. 909, 913 (1985).

---

[1] On February 5, the President reported a deferral of $135,534,949. That amount was subsequently reduced to $131,132,949, reflecting the Balanced Budget Act sequestration and other releases.

The Balanced Budget Act conference agreement defines the budget base, in such instances, as the estimated loan level for the fiscal year, and directs that the sequestration percentage be applied to this amount. H.R. Rep. No. 433, 99th Cong., 1st Sess. 94–95 (1985). The conference agreement further stipulates that the post-sequestration loan level constitutes a *de facto* loan limitation. *Id.*

The sequestration order, effective March 1, 1986, S. Doc. 24, 99th Cong., 2d Sess. (February 1, 1986), established a budget base for the Rehabilitation Loan Fund of $85 million, based on anticipated fiscal year 1986 loan obligations, and a sequester of $3,655,000. In accordance with the conference agreement, the resulting $81,345,000 became a limit on fiscal year 1986 loan obligations from the Fund. Because $11 million had previously been made available for loan obligations, the sequestration order and its $81,345,000 limitation on loan obligations, in effect, reduced the amount available for obligation in this account from the $131,132,949 originally deferred to $70,345,000.[2]

The Congress then disapproved the deferral in the Urgent Supplemental:

> The Congress disapproves the following proposed deferrals relating to the Department of Housing and Urban Development *as set forth in the message of February 5, 1986,* which was transmitted to the Congress by the President: * * * (5) D86–50 relating to Community Planning and Development, "Rehabilitation loan fund". The five disapprovals shall be effective upon enactment into law of this Act and *the amounts of the proposed deferrals disapproved herein shall be made available for obligation.* Emphasis added.

This language, enacted on July 2, refers only to the $131,132,949 deferral which was reported on February 5; it does not appear to recognize the Balanced Budget Act limitation.

Enactment of the Urgent Supplemental thus created something of a dilemma. Release and obligation of the full amount deferred would have complied with the Urgent Supplemental, but would have resulted in outlays beyond the level which the Balanced Budget Act procedures were designed to achieve. OMB chose to give effect to the Balanced Budget Act and released $70,345,000 for new loan obligations.

A further complication followed shortly. On July 7, the Supreme Court struck down the Balanced Budget Act procedure, because of the power vested in the Comptroller General. *Bowsher* v. *Synar,* No. 85–1377. To assure the orderly working of the Act in the current fiscal year, during which many of the budget reductions required by the March sequestration order had already been executed, the Congress on July 31 passed and the President signed a law ratifying that order. Pub. L. No. 99–366, 100 Stat. 773.

---

[2] The remainder of the $131,132,949 was apportioned as follows: $3,343,600 for loan servicing, which according to OMB, reflects the Fund's total needs for loan servicing for the remainder of the fiscal year; $8,635,000 for transfer to the "Salaries and Expense" account of the Department of Housing and Urban Development, as directed by the Urgent Supplemental; $48,809,349 as an "unapportioned balance."

We might have concluded, before July 31, that the Urgent Supplemental, as the most recent expression of the will of the Congress, required the apportionment of the full amount of the original deferral, although this proposition is not entirely free from doubt. However, the enactment on that date of the ratification would, by the same reasoning, support the view that the *de facto* limitation resulting from the Balanced Budget Act should be given effect, notwithstanding the earlier Urgent Supplemental.

As a result of these events, it is unclear whether the Congress intended continued compliance with the Balanced Budget Act limitation, and thus release of only $70,345,000, or whether the Congress intended that the entire amount of the deferral as originally reported, $131,132,949, be released for obligation without regard to that limitation. Under the circumstances, we do not believe that OMB's action should be treated as an unreported impoundment. We suggest that, if the Congress intends that the Administration obligate the $48,809,349 which OMB has not apportioned, the Congress legislatively clarify its intent.

With regard to another deferral, "Energy supply, research and development" (D86-38), OMB, owing to a mathematical mistake, did not initially release for obligation the total amount disapproved. OMB corrected the error after we pointed it out.

Finally, while OMB has released the entire $577,533,903 deferred in the Strategic Petroleum Reserve-Petroleum account (D86-10A), $20,505,999 was apportioned for obligation this fiscal year, with the remaining $557,027,904 apportioned for obligation in fiscal year 1987. At the current rate of expenditure, the Administration will fill the reserve at 50,000 barrels per day. Although this is greater than the minimum fill-rate of 35,000 barrels per day, set by the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub. L. No. 99-272, § 7102, 100 Stat. 82, 141), the Administration has the capacity to fill at 100,000 barrels per day.

Sincerely yours,

MILTON J. SOCOLAR
(For the Comptroller General
of the United States).

Enclosure.

DEFERRALS DISAPPROVED BY URGENT SUPPLEMENTAL

DEPARTMENT OF AGRICULTURE

D86-3. *Timber Salvage Sales* [1]
D86-60. *Rural Housing Insurance Fund*

DEPARTMENT OF COMMERCE

D86-36. *Economic development assistance programs*

DEPARTMENT OF ENERGY

D86-6A. *Fossil energy research and development* [2]

---

[1] The Congress disapproved $3,153,000 of the deferral.
[2] The Congress disapproved all of the deferral but $2,607,000.

D86-9A. *Energy conservation* [3]
D86-10A. *Strategic Petroleum Reserve Petroleum Account*
D86-37. *Strategic Petroleum Reserve* [4]
D86-38. *Energy supply, research and development* [5]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

D86-41. *Annual contributions for assisted housing*
D86-45. *Housing for the elderly or handicapped fund*
D86-46. *Nonprofit sponsor assistance*
D86-48. *Community development grants*
D86-50. *Rehabilitation loan fund*

DEPARTMENT OF TRANSPORTATION

D86-53A. *Maritime Administration Operations and training* [6]

---

[3] The Congress disapproved all of the deferral but $6,556,000.
[4] $156,759,000 of the deferred about was released by OMB on April 11, 1986 pursuant to a GAO decision (B-220532, February 25, 1986).
[5] The Congress disapproved $23,156,000 of the deferral.
[6] $8,500,000 of the deferred amount was released by OMB on April 8, 1986 pursuant to a GAO decision (B-220532, March 11, 1986).